



Insurance Department

State of Utah

GARY R. HERBERT

Governor

GREG BELL

Lieutenant Governor

TODD E. KISER

Acting Commissioner

State of Utah Title and Escrow Commission Meeting Meeting Information

Date: April 8, 2013

Time: 9:00 AM

Place: East Bldg, Spruce Room

MEMBERS

(Attendees=x)

COMMISSION MEMBERS

xChair, Larry Turner Blake, *Washington Cnty*

xJerry M. Houghton, *Tooele Cnty*

xCo-Chair, Kirk Donald Smith, *Weber Cnty*

Dirk Keyes, *Public Member*

xCortlund G. Ashton, *Salt Lake Cnty*

DEPARTMENT STAFF

xPerri Babalis, *AG Counsel*

Brett Barratt, *Deputy Comm.*

xMark Kleinfeld, *ALJ*

Suzette Green-Wright, *MC Dir.*

xTammy Greening, *Examiner*

xJilene Whitby, *PIO Recorder*

xCarl Meek, *IT*

Public

Pete Stevens

David Moore

Carol Yamamoto

Lincoln Scoffield

Mike Smith

James Seaman

Taz Biesinger

Jeff Wiener

MINUTES

General Session: (Open to the Public)

- **Welcome / Larry Blake, Chair:** Began meeting at 9:05am.
- **Adopt Minutes of Previous Meeting**
Motion to approve by Cort, seconded by Jerry with a unanimous vote.
- **Reports**
 - **Concur with Licensee Report / Tammy**
Motion to concur by Jerry, seconded by Kirk with a unanimous vote.
 - **Concur with Complaint & Enforcement Reports / Tammy**
Motion to concur by Kirk, seconded by Cort with a unanimous vote.
 - **Request for Dual Licensee Expedited Request:** None
 - **Request for Attorney Exemption:** None
- **Administrative Proceedings Action / ALJ**
 - **Stipulation & Orders:**
 - **Merie Egan, ECase 3270, and Wasatch Title Ins. Agency LLC, ECase 3267**
Merie Egan is associated with Wasatch Title. Both licenses had lapsed. Merie's lapsed June 30, 2012 and was reinstated October 11, 2012. Wasatch Title's license lapsed in September and was reinstated in October. During this time 49 closings were done, 31 of which Miss Egan was involved. A forfeiture of \$4,500 was proposed for Wasatch Title and \$1,500 for Egan. **Motion** by Cort to approve, seconded by Jerry with a unanimous vote.
 - **National Title Agency, LLC: ECase 3269**
National failed to renew their license August 31, 2012. On October 17, 2012 they reinstated it. During the lapsed period 121 closings and searches were finalized. A forfeiture of \$7,500 and 24 month probation was proposed. **Motion** by Jerry to approve, seconded by Cort with a unanimous vote.

- **Affiliated First Title Ins. Agency LLC: ECase 3237**
License lapsed April 30, 2012 and was reinstated in May. During lapsed period Affiliated performed 58 closings. From April 9 respondent and producer were licensed for search line of authority only. An audit found that Affiliated had been doing escrow business for 10 years without the proper licensure. It was also found that the Department had previously performed two audited exams on the agency without finding the discrepancy. A forfeiture of \$2,500 was proposed. **Motion** by Kirk to approve the forfeiture, seconded by Cort with a unanimous vote.
- **Eagle Gate Title Ins. Agency, Inc: 3268**
Targeted audit revealed that Eagle Gate had not filed proposed escrow fees and had performed 1,000 closings from June 15, 2011 to January 22, 2013. **Motion** by Cort to approve, seconded by Jerry with a unanimous vote.
- **Request for a Hearing:** None
- **Order on Motion:** None
- **Informal Adjudicative Proceeding & Order:** None
- **Formal Adjudicative Proceeding:** None
- **Old Business**
 - **Discuss Status of Legislation Related to Rule R592-17, “Minimum Mandatory Search...”**
 - Cort said that since HB 47, Insurance Law Amendments, had passed there was no need for either Rule R592-16 or R592-17. The new wording in the law will require a reasonable search and will limit supervision to two agencies. He suggested taking both rules off the agenda.
 - Larry asked Tammy if the bill required all individuals in a title agency who are doing searches to be licensed, other than the person managing the agency. Tammy did not know. Cort did not think anything had been done in recent legislative session to change licensing requirements. Larry asked that Rule R592-17 remain on the agenda. Need to answer the question of whether an individual needs a license to do search and examination. Larry said he had been penalized for allowing employees that was in the licensure process. Jerry could not find a requirement in the code for a search license. He asked Tammy and Perri to come back with answer for this question. Take R592-16 off agenda.
 - **Discuss Status of Legislation Related to R592-16, “Agency Supervision...” Eliminate from agenda.**
See above discussion.
 - **Sircon Issue About Confirmation Numbers on the Dashboard and Adding People to an Agency List / Carl Meek**
 1. The rumor that Sircon had been hacked is not true.
 2. Sircon has taken measures to direct people to the right help desk.
 3. Agency Edge – is in a soft launch. Those with Subscription to Sircon will work with Edge. A full launch will occur around September 2013. It should be more user friendly.
 4. He is still looking into why the user number issue is not showing up. He will have Sircon contact Jerry directly for specifics.
- **New Business**
 - **Discussion of Effect of H.B. 256’s Non-Reauthorization of R592-2-7(2)**
 - a) how to address short term effects of bill that takes effect 5-1-2013; and**
 - b) how to address long-term – New Rule?**

Brett thought the elimination of (2) would slow the stipulation process. Perri’s office has been researching the intent of this change and what it will mean to stipulations and orders from now on. Any stip and orders after today will fall under the new statute.

Imposition of the penalty will be made by the Commission and then go to the commissioner for concurrence. Cort suggested Perri contact Representative Webb for the purpose of this change.

- **Status of H.B. 47 – Reminder – Effective Date 5-14-2013.**

Larry asked Tammy if the definition of escrow in HB 47 would provide her with the needed backup to regulate escrow. She said she would read the bill to see.

- **Streamlined or Centralized Rate Discussion / Cort**

The Colorado Division of Insurance evaluated centralized rates as used there. Non-national insurers were not allowed to use these rates, which are lower, thus putting them and their customers at a disadvantage. The commissioner decided centralized rates could not be used at all. Utah has similar rate filings. Cort suggests they ask the Department about our rate structures and see if we may have the same issues as in Colorado. Larry asked if rates had come about as a result of the CFPB. Cort did not know. Kirk said centralized rates are being used by some local lenders and banks as well. Cort said it created a disadvantage. Keep on agenda. See what department's position is on this.

- **Replacement Process for Openings on Commission**

Attendees were made aware of the Special Notice about openings in the Commission. The notice is on the Commission's website. The Governor's office of Boards and Commissions has asked that we comply now with the new requirements in 31A-2-403(1) of HB 47 regarding the makeup of the Commission. It requires two members be employees of a title insurer.

- **Other Business**

- **Larry said** lenders were requesting disbursement schedules and copies of cancelled checks. This is a problem because we have split closings. David said closing statements are being changed after they have been signed. This practice can involve fraud. Put on next month's agenda.
- **Larry** Some lenders want total access to all our records, post-closing. This is a privacy issue. Put on agenda.

Executive Session (Closed to Public)

General Session: (Open to the Public)

- **Adjourn:** Cort motion to dismiss 10:08
- **Next Meeting:** May 11, Spruce Room

2013 Meeting Schedule in Spruce Room
(2nd Monday except holidays, then 3rd Monday)

Jan 14	Feb 11	Mar 11	Apr 8	May 13	June 10
July 8	Aug 12	Sep 9	Oct 21	Nov 18	Dec 9